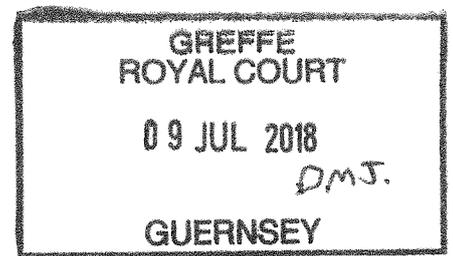


No. 33 of 2018



Guernsey Financial
Services Commission



The Guernsey Green Fund Rules, 2018

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The Guernsey Green Fund Rules, 2018

The Guernsey Financial Services Commission (the “*Commission*”) in exercise of the powers conferred on it by sections 12, 14, 15, 16, 18 and 20 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “*Law*”) hereby makes the following rules:-

1. GUERNSEY GREEN FUND

There shall be a description of Collective Investment Scheme under the *Law* of “Guernsey Green Fund”.

A *Guernsey Green Fund* may be declared by using either Route 1 or Route 2.

A *Scheme* that meets, and continues to meet the requirements in these *Rules* may be designated a *Guernsey Green Fund* and may use the *Guernsey Green Fund* logo in Schedule 4 subject to any conditions issued by the Commission.

2. SCOPE

- (1) These *Rules* shall apply to the use of the description *Guernsey Green Fund*.
- (2) The *Guernsey Green Fund* must be established with the objective of spreading risk. The criteria for the spread of risk must be specified in the *Guernsey Green Fund’s prospectus*.
- (3) The *Guernsey Green Fund* must be established with the objective of seeking a return for investors whilst mitigating environmental damage and must meet one of the *green criteria* set out in Schedule 2 of these *Rules*.

3. INVESTMENT CRITERIA

The governing body of a *Guernsey Green Fund*, the designated administrator and any manager or custodian shall take reasonable steps to ensure;

- (1) The property of a *Guernsey Green Fund* shall be invested with the aim of spreading risk and with the ultimate objective of mitigating environmental damage resulting in a net positive outcome for the environment.
- (2) A *Guernsey Green Fund* shall comprise 75% of assets by value that meet the notified *green criteria* set out in Schedule 2 of these *Rules*. The remaining 25% by value of the property must not:
 - (a) lessen or reduce the *Guernsey Green Fund’s* overall objective of mitigating environmental damage; nor
 - (b) comprise an investment of a type specified in Schedule 3.
- (3) A *Guernsey Green Fund* shall only comprise assets permitted to be held under its *principal documents* or *prospectus* and of a nature or type described in its *prospectus*.
- (4) A *Guernsey Green Fund* shall not be invested in contravention of limits or restrictions imposed under its *principal documents* or *prospectus*.

Guidance Note

In the event of a breach of the chosen *green criteria* the *governing body* of the *Guernsey Green Fund* should consider the most appropriate course of action taking into account the type of assets in the *Guernsey Green Fund*, the type of investors and the disclosures in the *prospectus*. Such action could include any of the following non-exhaustive list:

- (a) The suspension of dealing;
- (b) The suspension of promotion;
- (c) The implementation of a risk mitigation programme;
- (d) Any other action necessary to protect investor's interests and the reputation of the Bailiwick;
- (e) The removal of the *Guernsey Green Fund* designation in accordance with section 7 of these *Rules*.

Responsibilities of the *designated administrator*

The *designated administrator's* responsibility is to oversee the adherence of Rule 3 (1) to (4) and the Guidance above. Any breaches should be brought to the attention of the *manager* and the *governing body* of the *Scheme* and the *Commission* should be notified in accordance with Rule 6(c)(i). The *designated administrator* should also monitor to ensure that the investment adviser has been informed.

4. NOTIFICATIONS

- (1) A *licensee* seeking on behalf of a *Scheme* to use the description of *Guernsey Green Fund* shall submit to the *Commission*:
 - (a) The appropriate notification forms;
 - (b) Final version of the *prospectus*;
 - (c) Notification of the *green criteria* to be applied to the *Scheme*;
 - (d) In the case of:
 - (i) a *Route 1 Scheme* a declaration, in accordance with Schedule 1, Part 1 that the *Scheme* meets the notified *green criteria* which includes:-
 - 1.1 A certificate from a suitable third party that the *prospectus* meets the notified *green criteria*;
 - 1.2 Details of the third party's name, address and expertise;
 - 1.3 Confirmation that no conflict of interest exists between the third party and the *governing body* of the *Scheme*.

- (ii) a Route 2 *Scheme* a Declaration, in accordance with Schedule 1, Part 2 that the *prospectus* meets the notified *green criteria*;
- (e) Confirmation of whether the *governing body* of the *Scheme* will incorporate *ESG Principles* into its investment analysis and decision making processes;
- (f) The requisite fee as prescribed from time to time;
- (g) Such other information as the *Commission* may require.

Guidance note on Certification

In the case of a Route 2 *Scheme*, the declaration can be provided by either the *designated administrator* or the *manager*, if an entity is licensed under the *Law*. A declaration can only be provided by a party contractually connected to the *Guernsey Green Fund*. Any changes to those parties would require a new declaration under 4(1)(d).

Guidance note on ESG Principles

Where *ESG Principles* are to be incorporated into investment analysis and decision making processes any *Scheme* participants are reminded that use of the UN Principles for Responsible Investment and its logo are independently governed by the PRI Association see: www.unpri.org

5. DESIGNATION

- (1) The *Commission* may designate a *Scheme* to be a *Guernsey Green Fund* if:
 - (a) It is satisfied that the *Scheme's principal documents* and *prospectus* appear to the *Commission* to comply with these *Rules* relating to their contents;
 - (b) A declaration has been provided in accordance with Rule 4 and Schedule 1 of these *Rules* confirming that the *Scheme* meets the notified *green criteria*.
- (2) A *Scheme* shall not describe or promote itself (by any means) as a *Guernsey Green Fund* unless designated in accordance with these *Rules*.

6. OVERSIGHT OF THE FUND

- (1) The *designated administrator* shall ensure that the *Guernsey Green Fund* is monitored against the notified *green criteria* and the investment criteria on a monthly basis and where the *Scheme* contravenes either:-
 - (a) Shall immediately take such steps as are necessary to notify the *custodian* (if appointed)

- (b) Shall immediately ensure such steps are taken as necessary to rectify the position.
 - (c) Shall if the position has not been rectified within one month of the date on which the contravention was identified:
 - (i) Notify the *Commission*;
 - (ii) Provide the *Commission* with the proposals to rectify the breach.
 - (d) For a period in excess of two months from the date that the contravention was identified the *designated administrator* shall forthwith ensure that all investors are informed or otherwise notify the *Commission* that such communication has not taken place.
 - (e) The *governing body* of a *Guernsey Green Fund*, the *designated administrator* and any *manager* or *custodian* shall cooperate with the *licensee* who submitted the Declaration.
 - (f) No change to the *licensee* who submitted the Declaration under Schedule 1 shall occur without the written consent of the *Commission*.
- (2) Paragraphs 6(1)(a) to (d) do not apply to any *Guernsey Green Fund* during the first six months from the date of designation or until the *Guernsey Green Fund* is fully invested, whichever occurs first.
 - (3) Paragraphs 6(1)(a) to (d) will also not apply to any *Guernsey Green Fund* once a decision has been taken, notified and approved by the *Commission* to wind up the *Scheme* in accordance with the *Scheme's principal documents*.

7. REMOVAL OF DESIGNATION

- (1) Where a *Guernsey Green Fund* continues after a period of 3 months from the date when the contravention was identified not to meet the notified *green criteria* or the investment criteria then the *designated administrator* shall:
 - (a) Provide the Declaration of non-compliance under Schedule 1 Part 3 to the *Commission*;
 - (b) Inform the *governing body* of the *Scheme* that it must as soon as possible cease to use the designation of *Guernsey Green Fund* and any logo on all documents and other material (electronic or otherwise);
 - (c) Ensure that all investors have been notified of the steps taken under this rule;
 - (d) Ensure that a copy of the Declaration under (a) is placed in a prominent position on the *Guernsey Green Fund's* website.
- (2) A *designated administrator* of a *Guernsey Green Fund* shall where it is being wound up notify and seek the approval of the *Commission* if it wishes to continue to use the designation of *Guernsey Green Fund*.

- (3) Without prejudice to 7(1) and (2) the *Commission* may remove the designation of a *Guernsey Green Fund* where:
- (a) A *Guernsey Green Fund* remains invested for more than 3 months in breach of the notified *green criteria* or the investment criteria; or
 - (b) A *Guernsey Green Fund* is being wound up, or
 - (c) At any stage after a *Guernsey Green Fund* ceases to meet the notified *green criteria* or the investment criteria in order to protect:
 - (i) The interests of investors;
 - (ii) The public; or
 - (iii) The reputation of the Bailiwick as a finance centre.
- (4) The *Commission* shall take into account the circumstances of the breach and the rectification action taken.
- (5) (a) Where at any point in the life of the *Guernsey Green Fund* it had been promoted (whether in its *prospectus* or other marketing material) in accordance with *ESG Principles* then upon the giving of a declaration under 7(1)(a) or refusal of approval under 7(2), or action by the *Commission* under 7(3) the *Guernsey Green Fund* shall cease to so promote itself;
- (b) Where any circumstances arise in 7(5)(a) paragraphs 7(1)(b) to 7(1)(d) shall be read to apply to its notification of that fact, unless otherwise agreed in advance with the *Commission*.

8. PROSPECTUS DISCLOSURES

- (1) In addition to the disclosures required in any other rules to which the *Guernsey Green Fund* is subject the *prospectus* shall at least contain:
- (a) The fact that the fund has received the designation of a *Guernsey Green Fund*;
 - (b) The notified *green criteria*;
 - (c) How the *Guernsey Green Fund* will meet its objective;
 - (d) That the *Guernsey Green Fund* is:
 - (i) Route 1, third party certified and the name of the independent party who will provide the certification.or
 - (ii) Route 2, whereby a *licensee* will provide a declaration.

- (e) Sufficient information regarding the declaration or certification and the methodology used must be disclosed for any intended investor to make an informed judgment on the merits of investing in the *Guernsey Green Fund*.
- (f) If the governing body of the *Guernsey Green Fund* and the *manager* intend incorporating *ESG Principles* into investment analysis and decision making processes, that fact.
- (g) The *prospectus* shall state any material conflicts of interest that an investor would reasonably require to enable such investor to make an informed judgement about the merits of investing in the *Guernsey Green Fund*.

Guidance Note on third party provider

The third party evaluation may take the form of a certification that the underlying assets of the *Scheme* are or will be invested in accordance with the *Scheme's prospectus* and the *green criteria* or it can take the form of a green rating issued by a qualified third party.

The third party must be independent from the *governing body* of the *Guernsey Green Fund*.

9. NOTIFICATION AND FILINGS TO BE SUBMITTED TO THE COMMISSION

Filings

- (1) Without prejudice to any other rules to which the *Guernsey Green Fund* is subject, the *designated administrator* shall submit to the *Commission*, within six months of the *Guernsey Green Fund's* accounting year end, Form 143. Such Form shall detail how the *Scheme* has invested within the *green criteria* to which it is subject.
- (2) The *designated administrator* is required to ensure that it is reported to investors on an annual basis how the *Scheme* meets the *green criteria*.

Guidance Note

Rule 9(2) may be satisfied by a disclosure in the *Guernsey Green Fund's* annual report and accounts.

Notifications

- (3) The *designated administrator* of a *Guernsey Green Fund* shall give immediate written notice to the *Commission* of any material change to the disclosures in the *prospectus* required of Rule 8 of these *Rules*.
- (4) The *designated administrator* or *manager* shall ensure that investors are notified of any change referred to in Rule 8.

10. INTERPRETATION

Unless the context otherwise requires, in *these Rules*, expressions defined in the *Law* have the same meaning as they have in the *Law*, and the following have the meanings assigned to them:

“authorised scheme”	means a collective investment scheme that has been declared as an authorised scheme under Section 8 of the <i>Law</i> ;
“designated administrator”	means a designated manager for the purposes of section 8 of the <i>Law</i> ;
“company”	any Scheme constituted as a body corporate, including protected cell companies and incorporated cell companies;
“the Commission”	means the Guernsey Financial Services Commission;
“custodian”	Means a designated custodian for the purposes of section 8 of the <i>Law</i> ;
“ESG Principles”	means environmental, social and governance issues as set out by the UN supported Principles for Responsible Investment: the PRI;
“green criteria”	means the criteria set out in Schedule 2 to these Rules;
“Guernsey Green Fund”	means either an authorised scheme or a registered scheme designated in accordance with these Rules where it meets the green criteria;
“governing body”	means in the case of a company, its directors; in the case of a limited partnership, its general partner; in the case of a trust, its trustees;
the "Law"	means the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
"licensee"	means the holder of a licence to carry on controlled investment business issued under the <i>Law</i> ;

“manager”	in the context of these <i>Rules</i> means a manager of a Guernsey Green Fund licensed under The Protection of Investors (Bailiwick of Guernsey) Law, 1987. If the Scheme has no manager licensed in Guernsey then references to manager shall be deemed as reference to the designated administrator;
“principal documents”	in relation to: <ul style="list-style-type: none"> (a) a unit trust scheme, means the trust instrument and management agreement (if any); (b) a company scheme, means the articles of incorporation of a Guernsey company (or an equivalent document under the applicable law of a non-Guernsey body corporate), the management agreement and the trustee agreement; (c) a collective investment scheme other than a unit trust scheme or a company scheme, means the documents dealing collectively with the same or similar obligations and duties as the principal documents constituting a unit trust scheme or a company scheme;
“prospectus”	means written particulars of a Guernsey Green Fund prepared, revised and published in accordance with these Rules and any other rules applicable to the Scheme;
“these Rules”	means The Guernsey Green Fund Rules, 2018;
“registered scheme”	means a collective investment scheme that has been declared as a registered scheme under Section 8 of the Law;
“scheme”	An authorised or registered scheme
“unit trust scheme”	Means an authorised or registered scheme under which the scheme property is held in trust for the investors

11. CITATION AND COMMENCEMENT

These *Rules*, which may be cited as The Guernsey Green Fund Rules, 2018 are made on 6 July 2018 and shall come into operation on 9 July 2018.

SCHEDULE 1

Part 1

Route 1

- I hereby provide a copy of a certification provided by [insert name of certifier] an independent third party that the prospectus disclosures and the investment criteria of the Scheme meets the notified green criteria as defined in The Guernsey Green Fund Rules 2018.
- I confirm that I have advised [insert name of certifier] that it is an offence under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended in respect of which the Commission exercises its functions, to knowingly or recklessly provide the Commission with information, which is false or misleading in a material manner.
- I confirm that we, as proposed designated administrator/manager [delete as applicable] of the scheme are satisfied that the third party certifier is independent from the Scheme and its associated parties and that to the best of our knowledge the third party certifier has adequate expertise to provide a reliable and accurate assessment of the Scheme's ability to meet the green criteria as defined in The Guernsey Green Fund Rules 2018.
- I confirm that we, the proposed designated administrator/manager [delete as applicable] of the scheme, are satisfied that the disclosures in the scheme's prospectus meet the requirements of The Guernsey Green Fund Rules, 2018.
- I confirm that the information supplied is complete and correct to the best of my knowledge and belief at the time of submission and that there are no other facts material to the notification of which the Commission should be aware.

Part 2

Route 2

- I confirm that we, as proposed [insert nature of role] of the scheme are satisfied that the objective of the scheme encompasses the mitigation of environmental damage and that the scheme's investment criteria meets the notified green criteria as defined in The Guernsey Green Fund Rules, 2018.
- I confirm that we, the proposed [insert nature of role] of the scheme, are satisfied that the disclosures in the scheme's prospectus meet the requirements of The Guernsey Green Fund Rules, 2018.
- I confirm that the information supplied is complete and correct to the best of my knowledge and belief at the time of submission and that there are no other facts material to the notification of which the Commission should be aware.

Part 3

Declaration of Non-Compliance

- We, as [insert nature of role] of the scheme, have assessed the scheme against the disclosures in the Prospectus and the Guernsey Green Fund Rules 2018 in accordance with Sections 3 and 6 of The Guernsey Green Fund Rules 2018 and hereby confirm that the scheme no longer meets the notified green criteria/investment criteria.
- We, as [insert nature of role], hereby confirm that to the best of our knowledge the scheme will no longer use the designation of a Guernsey Green Fund and will ensure that no references are made to it in the prospectus or marketing material.
- We, as [insert nature of role], hereby confirm that to the best of our knowledge all investors in the scheme have been notified that the scheme no longer meets the notified green criteria/investment criteria and is no longer a designated Guernsey Green Fund.
- I confirm that the information supplied is complete and correct to the best of my knowledge and belief at the time of submission and that there are no other facts material to the declaration of which the Commission should be aware.
- I am aware that it is an offence under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended in respect of which the Commission exercises its functions, to knowingly or recklessly provide the Commission with information, which is false or misleading in a material manner.

SCHEDULE 2

This Schedule contains a list of *green criteria* that are endorsed by the Commission as standards that can be adopted by a *Guernsey Green Fund*.

A *Guernsey Green Fund* must, in accordance with section 3(2) of these Rules, comply with one of the criteria listed below and the chosen criteria must be set out in the notification to the Commission under Section 4 of the Rules. It is the decision of the governing body of a *Guernsey Green Fund* to select the criteria which is most relevant to the *Scheme*.

Criteria	Date added	Location
The Common Principles for Climate Mitigation Finance Tracking	9 July 2018	Appendix 1 of Schedule 2

Schedule 2 – Guidance Note

The *Commission* will add to the published list of standards where it considers it appropriate and will consider applications for the inclusion of new *green criteria* however, we would encourage any person wishing to add a new standard to give the *Commission* adequate time to review the standards and consult third party expert opinion where necessary.

SCHEDULE 3

This schedule contains a list of different exclusion policies that have been developed by various international institutions that have relevant environmental expertise.

A *Guernsey Green Fund* must, in accordance with Section 3(2)(b) of these *Rules*, comply with one of the exclusion policies listed below. It is the decision of the *governing body* of a *Guernsey Green Fund* to select the policy which is most relevant to the *Scheme*.

Policy	Date Added	Location
The Climate Bonds Initiative Green Bonds Methodology - Exclusion Policy	9 July 2018	Appendix 1 of Schedule 3

Schedule 3 – Guidance Note

The *Commission* will add to the published list of exclusion policies where it considers it appropriate and will consider applications for the inclusion of new policies however, we would encourage any person wishing to add a new policy to give the *Commission* adequate time to review the policy and consult third party expert opinion where necessary.

SCHEDULE 4

Use of the Guernsey Green Fund logo



The *Guernsey Green Fund* logo must only be used by a *Scheme* designated by the *Commission* as a *Guernsey Green Fund* and in a manner and form that is not misleading to potential investors.

The logo must be reproduced from original artwork provided by the *Commission* and must comply with the *Guernsey Green Fund* Brand Guidelines which can be found at www.gfsc.gg[insert link].

Its use must not be misleading. For example due consideration should be given to the placement of the logo on stationery or the homepage of an investment manager's website if other funds within its portfolio are not designated as *Guernsey Green Funds*.

A *Scheme* must cease to use the *Guernsey Green Fund* logo as soon as possible after its designation has been removed. For the avoidance of doubt use of the words *Guernsey Green Fund* are separately restricted under Rule 5(2) of these *Rules*.

Appendix 1 of Schedule 2

Common Principles for Climate Mitigation Finance Tracking

Category	Sub-category	Example
1. Renewable Energy	1.1 Electricity Generation	Wind power
		Geothermal power (only if net emission reductions can be demonstrated)
		Solar power (concentrated solar power, photovoltaic power)
		Biomass or biogas power that does not decrease biomass and soil carbon pools (only if net emission reductions can be demonstrated)
		Ocean power (wave, tidal, ocean currents, salt gradient, etc.)
		Hydropower plants (only if net emission reductions can be demonstrated)
	1.2 Heat Production or other renewable energy application	Solar water heating and other thermal applications of solar power in all sectors
		Thermal applications of geothermal power in all sectors
		Wind-drive pumping systems or similar
		Thermal applications of sustainability/produced bioenergy in all sectors, incl. efficient, improved biomass stoves
1.3 Transmission systems, greenfield	New transmission systems (lines, substations) or new systems (e.g., new information and communication technology, storage family, etc.) and mini-grid to facilitate the integration of renewable energy sources into the grid	
	Renewable energy power plant retrofits	
	Improving existing systems to facilitate the integration of renewable energy sources into grid	
2. Lower-carbon and efficient energy generation	2.1 Transmission and distribution systems	Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses, excluding capacity expansion

	2.2 Power Plants	<p>Thermal power plant retrofit to fuel switch from a more greenhouse gas intensive fuel to a different, less greenhouse gas intensive fuel type</p> <p>Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling</p> <p>Waste heat recovery improvements</p> <p>Energy efficiency improvement in existing thermal power plant, industrial energy efficiency improvements through the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery</p>
3. Energy efficiency	3.1 Brownfield energy efficiency in industry	<p>Installation of co-generation plants that generate electricity in addition to providing heating/cooling</p> <p>More efficient facility replacement of an older facility (old facility retired)</p>
	3.2 Brownfield energy efficiency in commercial, public and residential sectors (buildings)	<p>Energy efficiency improvement in lighting, appliances and equipment</p> <p>Substitution of existing heating/cooling systems for buildings by co-generation plants that generate electricity in addition to providing heating/cooling</p> <p>Retrofit of existing buildings: architectural or building changes that enable reduction of energy consumption</p>
	3.3 Brownfield energy efficiency in public services	Energy efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment
		Rehabilitation of district heating systems
		Utility heat loss reduction and/or increased waste heat recovery
		Improvement in utility scale energy efficiency through efficient use, and loss reduction

	3.4 Vehicle energy efficiency fleet retrofit	Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)
	3.5 Greenfield energy efficiency in commercial and residential sectors (buildings)	Use of highly efficient and architectural designs, energy efficiency and equipment, and building techniques that reduce building energy consumption, exceeding available standards and complying with high energy efficiency certification or rating schemes
	3.6 Energy audits	Energy audits to energy end-users, including industries, buildings and transport systems
4. Agriculture, forestry and land-use	4.1 Agriculture	Reduction in energy use in traction (e.g. efficient tillage), irrigation and other agriculture processes
		Agriculture projects that do not deplete and/or improve existing carbon pools (reduction in fertiliser use, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, low tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, etc.)
	4.2 Afforestation and reforestation, and biosphere conservation	Afforestation (plantations) on non-forested land
		Reforestation on previously forested land
		Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities
4.3 Livestock	Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems	
	Livestock projects that reduce methane or other greenhouse gas emissions (manure management with biodigestors, etc.)	
4.4 Biofuels	Production of biofuels (including biodiesel and bioethanol)	

5. Non-energy greenhouse gas reductions	5.1 Fugitive emissions	Reduction of gas flaring or methane fugitive emissions in the oil and gas industry Coal mine methane capture
	5.2 Carbon capture and storage	Projects for carbon capture and storage technology that intend to prevent release of large quantities of CO ₂ into the atmosphere from fossil fuel use in power generation and process emissions in other industries
	5.3 Air conditioning and refrigeration	Retrofit to existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential
	5.4 Industrial processes	Reduction in greenhouse gas emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage
6. Waste and wastewater		Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduce methane emissions (only if net emission reductions can be demonstrated)
		Waste management and waste-to-energy projects that reduce methane emissions and generate energy (e.g. incineration of waste, landfill gas capture, and landfill gas combustion)
		Waste-recycling projects that recover or reuse materials and waste as inputs into new products or as a resource (only if net emission reductions can be demonstrated)
7. Transport	7.1 Urban transport modal change	Urban mass transit Non-motorised transport (bicycles and pedestrian mobility)
	7.2 Transport oriented urban development	Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.)

		<p>leading to a reduction in the use of passenger cars</p> <p>Transport demand management measures to reduce GHG emissions (e.g. speed limits, high-occupancy vehicle lands, congestion charging/road pricing, parking management, restriction or auctioning of licence plates, car-free city areas, low-emission zones)</p>
	7.3 Inter-urban transport	<p>Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)</p> <p>Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)</p>
8. Low-carbon technologies	8.1 Products or equipment	Projects producing components, equipment or infrastructure dedicated for the renewable and energy efficiency sectors
	8.2 R&D	Research and development of renewable energy or energy efficiency technologies
9. Cross-cutting issues	9.1 Support to national, regional or local policy, through technical assistance or policy lending, fully or partially dedicated to climate change policy or action	Mitigation national, sectoral, or territorial policies/planning/action plan policy/planning/institutions
		Energy sector policies and regulations (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)
		Systems for monitoring the emissions of greenhouse gases
		Efficient pricing of fuels and electricity (subsidy rationalisation efficient end-user tariffs and efficient regulations on electricity generation, transmission or distribution)
		Education, training, capacity building and awareness raising on climate change mitigation/

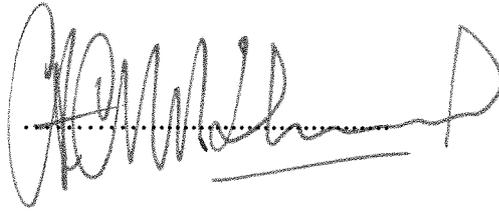
		sustainable energy/sustainable transport; mitigation research
		Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action
	9.2 Other activities with net greenhouse gas reduction	Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show emission reductions
	9.3 Financing instruments	Carbon markets and finance (purchase, sale, trading, financing and other technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs as well as well-established voluntary carbon standards like the VCS or Gold Standard.

Appendix 1 of Schedule 3

Exclusion Policy

Sector	Excluded areas
Energy	Uranium mining for nuclear power; Any fossil fuel-based power generation including: gas, 'clean' coal and other coal.
Energy efficiency	Efficiency upgrades to greenhouse gas intensive power sources – e.g. cleaner coal technology; Energy savings in fossil fuel extraction activities – emission reduction requirements require a rapid phase-out of all fossil fuel usage. Anything that helps to extend the life of fossil fuel usage is excluded.
Waste	Landfill without gas capture; Waste incineration without energy capture.
Transport	Rail lines where fossil fuels account for more than >50% of freight.

Dated this 6th day of July, 2018

A handwritten signature in black ink, appearing to read 'C. A. Schrauwers', written over a horizontal dotted line. The signature is stylized and cursive.

C. A. SCHRAUWERS

Chairman of the Guernsey Financial Services Commission

For and on behalf of the Commission

